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May 10, 2021

Montana Board of Housing
301 S. Park Ave.
P.O Box 200528
Helena, MT 59620-0528

RE: Big Sky Affordable Housing Project – RiverView

To whom it may concern,

I am writing to express my strong support for the usage of LIHTC to finance an affordable housing project (“RiverView”) that BlueLine Development and Big Sky Community Housing Trust (“BSCHT”) are developing in Big Sky, Montana. We are thrilled that BSCHT and BlueLine have partnered on this project to tackle the workforce housing crisis and we have offered our full support. In fact, we are partnering with BSCHT on a neighboring workforce housing project to ensure the entire community has a voice.

CrossHarbor Capital Partners has been investing in Big Sky for almost 15 years and our affiliate companies are intimately weaved into the social fabric of this community. Big Sky has emerged as a world-class tourist destination that Montana should be proud of. While Big Sky’s popularity has a direct correlation with job growth and higher tax collections, a majority of the workforce commutes from Bozeman and beyond due to a severe lack of affordable housing options in town. We believe two main factors have negatively impacted the supply of affordable housing: (1) the exponential rise in construction costs has made it nearly impossible for developers to deliver new rental product at affordable levels and (2) the highly lucrative vacation rental market (AirBNB, VRBO etc.) has incentivized real estate owners to convert long-term leases to short-term vacation rentals, depleting the existing supply of housing; COVID-19 has only accelerated those trends. The resulting supply/demand imbalance has forced locals to look outside of Big Sky for housing, which will inevitably lead to (a) the creation a cost-burdened community and/or (b) attrition of the local workforce – families may choose to work in Bozeman if they are living there.

The Big Sky Community Housing Action Plan, which was commissioned in 2018, showed that 655 new housing units were needed over five years to address the then-current housing shortfall for residents. The study showed that approximately half of those units needed to be priced below-market to meet the full range of community housing needs. Since 2018, the local demand for housing has grown and the supply has been depleted. Big Sky is approaching a critical moment in time and the community desperately needs public funding to help address the affordable housing crisis.



The RiverView project is worthy of public funding because it would deliver deed-restricted rental housing to the market, at a level of affordability that private developers cannot currently make financially feasible (due to the cost of construction). This proposed development is extremely important for our community.

Should you have any questions about the project or our support, please do not hesitate to call me at your convenience.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. Kidd".

Matthew E. Kidd
Managing Director
(617) 515-7760
CrossHarbor Capital Partners
Lone Mountain Land Company